one crore from the Consolidated Fund (by debit to Capital accounts outside the Revenue Account). Subsequently, however, as the amount of the fund was found to be inadequate, the corpus of the fund was increased to rupees two crores, by the promulgation of an ordinance by the Governor by virtue of powers conferred under clause (1) of Article 213 of the Constitution of India. A supplementary grant was also obtained to transfer a further sum of rupees one crore from the Consolidated Fund All advances sanctioned out of the Contingency Fund' were recouped in full before the close of the year and the fund closed with a credit balance of rupees two crores at the end of the year.

301. Public Account.—There was a net incoming of Rs. 6·31 lakhs under "Savings Bank Deposits", Rs. 26·57 lakhs under "Other Accounts" and Rs. 99·75 lakhs under Reserve Funds". A general increase is noticed under all heads included under this account.

(ii) Excise.

302. There were two Distilleries in the State during the year, *viz.*, (1) Mandya Distillery, managed by Messrs. Mysore Sugar Co., Ltd., Mandya, and (2) Hospet Distillery, managed by Messrs. India Sugars and Refineries, Ltd., Hospet. The Distilleries at Mandya and Hospet were administered in accordance with the provisions of the Mysore Excise Act. The Mysore Sugar Co., Ltd., continued to be the manufacturing contractors for the supply of liquors during the year.

303. The rate of Molasses Arrack of 35° U.P. payable to Messrs. Mysore Sugar Co., Ltd., was the same as in the previous year viz., 80 nP. per gallon.

304. The Distillery at Hospet continued to manufacture Commercial spirits viz., Rectified spirit and Denatured spirit. Permission was granted to manufacture Country spirits (Molasses Arrack of 30° U.P. and Special liquors of 25° U.P. for supply in three different sizes, viz, Quart, Pint and Nip bottles) to the Hyderabad Karnatak area with effect from 1st October 1957.

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305. There were 18 Arrack Bonded Depots during the year.

306. There was no change during the year in the issue strength of Molasses Arrack and Special liquors. The limit of private possession of the several kinds of liquors continued to be the same as in the previous years as noted below :—

1	Molasses Arrack	... 4½ drams
2	Jaggery Arrack	... 4½ drams
3	Special liquors	... 1 gallon in aggregate

Arrack and Special Liquor Shops.

307. The number of shops licensed for the retail vend of Molasses Arrack was 100 (100) while that for the sale of bottled liquors was nine (9).

Country Spirits.

308. The consumption of Arrack of 35° U.P. was 2,73,872-49 (2,37,065-1) drams while that of special liquors supplied in bottles was 18,049-34 (13,097-25) drams. The supply of country spirits to shops was not controlled by quotas.

309. The incidence of consumption of Country spirits per 100 of population was 6·54 (5·42) proof gallons computed in respect of the population of only the wet areas of the old Mysore State.

Rectified Spirit.

310. *Hospet Distillery.*—The total quantity of Rectified spirit manufactured during the year was 85,288-7 gallons. Of this, a quantity of 70,271-3 gallons was issued from the Distillery at Hospet, which included a quantity of 12,016 gallons issued in the State and a quantity of 58,255-3 gallons taken out for conversion into liquors and spirits.

311. *Mandya Distillery.*—The total quantity of Rectified spirit including Absolute Alcohol manufactured during the year was 9,20,977-10 gallons. Of which, a quantity of 8,93,763-13 gallons was issued from the Distillery at Mandya, which included a quantity of 5,55,927 gallons exported outside the State, 72,851-1 gallons issued in the State and 2,64,985-12 gallons taken out for conversion into liquors and spirits.

Spirituous Medicinal and Toilet preparations

312. The M. & T.P. (Excise Duties) Central Act No. 16 of 1955 to provide for the levy and collection of duties of Excise on medicinal and toilet preparations containing Alcohol, Opium, Indian Hemp and other Narcotic drugs or Narcotics came into force in the State with effect from

1st April 1957, and the Government of India announced in their Notification dated 22nd April 1957 that no person shall engage in the production or manufacture of any dutiable goods except under a licence granted under the provisions of the M. & T. P. (Excise Duties) Rules, 1956 and also intimated that this Notification shall come into force with immediate effect in all the States except in the area coming from the State of Bombay, where it shall come into force on 1st June 1957.

313. As per clarification given by the Government of India, action was being taken to regulate the possession, sale, transport, import and export of the Spirituous Medicinal preparations under the State Laws. It was clarified by the Central Government that all Ayurvedic preparations, except Draksharista and Drakshasava and Mritasanjivani shall be treated as unrestricted preparations liable to "Nil" duty and a duty at Rs. 3 per bulk gallon is leviable on Draksharista and Drakshasava and Mritasanjivani.

Duty on Flavouring and Culinary Essences.

314. The rate of duty at Rs. 50 per proof gallon on spirit contents in flavouring and culinary essences continued to be the same during the year.

Imports of Spirituous Medicinal Preparations.

315. About 449·50 proof gallons of Spirituous Medicinal preparations were imported during the year.

Export

316. The exports of Spirituous Medicinal preparations by the several Pharmaceutical concerns in the State amounted to 13,010·9774 proof gallons, of these, 8,027·3770 proof gallons were subjected to Excise duty and the balance of 4,983·600 proof gallons were on duty-free-basis.

Denatured Spirit.

317. Two hundred and fifty-three licenses were issued during the year for the possession, use etc., of Denatured spirit in Government and other aided Institutions, Hospitals, Dispensaries and Health Units.

318. A total quantity of 89,083·4 gallons of Denatured spirit was issued from the Distillery at Mandya. Of this, 57,269·4 gallons were for local consumption and the remaining 31,814 gallons were exported outside India.

319. Out of 30,413·9 gallons issued from the Distillery at Hospet, 15,688·9 gallons were for local consumption and the remaining 14,000 gallons were exported outside India.

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Molasses Arrack and Special Liquors

320. A total quantity of 3,28,620·8 gallons of Molasses Arrack and 20,953·2 gallons of Special liquors were manufactured during the year in the Distilleries at Mandya and Hospet. Of these, 19,520·18 gallons of Special liquors were issued within the State. No quantity of Molasses Arrack was issued to places outside the State. A quantity of 187 gallons of special liquor was exported outside the State during the year.

Indian made Foreign Liquors.

321. There were three concerns in the State who were permitted to manufacture Indian Made Foreign Liquors, *viz.*, (1) Messrs. Amrut Distilleries, Bangalore, (2) Messrs. Khoday R.C.A. Industries, Bangalore and (3) Messrs. Dasarath and Co., Mysore.

322. A quantity of 65,781·145 proof gallons of Indian Made Foreign Liquors were manufactured in the State during the year, of which, 18,519·381 proof gallons were issued for consumption in the State and 47,010·074 proof gallons were exported to places outside the State.

323. A sum of Rs. 3,84,210-69 was collected towards Excise duty on these liquors consumed in the State. The rate of Excise duty viz., Rs. 35 per proof gallon was continued during the year.

Toddy

324. The Revenue derived from Toddy amounted to Rs. 71,24,523-51 (Rs. 74,79,436).

325. The number of shops for the sale of Date and Cocoanut Toddy was 552 (552).

Malt Liquors Beer.

326. The consumption of Beer amounted to 4,48,469 (6,50,919) gallons during the year. The United Breweries Ltd., and Venus Brewery in Bangalore and Chamundy Brewery in Mysore continued to manufacture Beer.

327. The Revenue derived from Malt liquors amounted to Rs. 16,11,202-84 (Rs. 13,30,181).

328. A comparative statement showing the consumption of Foreign liquors is as follows:—

	1956—57	1957—58
	In gallons	*In gallons*
1 Spirits	15,344 46½	7,718-3
2 Wines	2,890-49 15/16	1,903-17 2/3
3 Malt liquors	99,109-46½	15,489-4 3/4

329. The Revenue realised under licence and gallonage fee was Rs. 6,13,720-13 (Rs. 5,86,213).

Ganja

330. During the year, there was no cultivation of Ganja. Government have prohibited the sale and distribution

of Ganja for other than scientific purposes from the Excise year 1958-59 (*viz.*, 1st July 1958) and have also prohibited the issue of permits for its cultivation and import from outside the State.

331. At the beginning of the year, there was a stock of 8,920 seers and 20 tolas of Ganja. The consumption of Ganja during the year was 6,225 (7,904) seers. The Revenue derived amounted to Rs. 10,79,304-62 (Rs. 10,68,051).

332. The limit of private possession of Opium continued to be one tola as in previous years. The issue price continued to be Rs. 175 per seer of 80 tolas as in previous years. The consumption of opium during the year was 299-26 (331-19) seers. Opium

333. The Revenue derived from opium was Rs. 2,61,229-62 (Rs. 2,52,463-06).

334. The number of licenses issued under the Dangerous Drugs Rules was 71 (66). A quantity of 1,430 lbs., 4·3 ozs, 288 gms. was imported into the State from other Indian States during the year. Dangerous Drugs.

335. The total number of offences reported during the year under Excise and Opium Acts was 1,696 (1,269). The number of cases relating to illicit distillation and kindered offences increased from 273 to 293 during the year, the largest number of cases being 228 (118) related to Bangalore District. The number of persons convicted for drunkenness was 195 (381). The figures relate to conviction for drunkenness in the wet districts of Bangalore, Mysore, Mandya and Hassan.

336. Including the amount of Rs. 12,34,710-74 being the arrears outstanding at the beginning of the year, the total demand of Excise Revenue amounted to Rs. 2,10,11,607-87 (Rs. 2,03,63,615-19). Of this, a sum of Rs. 1,94,69,255-39 (Rs. 1,87,57,178-56) towards the current demand and Rs. 3,65,308-32 (Rs. 3,71,325-75) towards the old arrears were collected leaving a balance of Rs. 11,77,044-16 (Rs. 12,34,710-82) at the close of the year. Demand, Collection and Balance.

337. The total revenue of the Excise Department during the year was Rs. 1,97,76,897-13 (Rs. 1,91,14,095-54) and the expenditure including the expenditure incurred in Revenue and Expenditure

the integrated areas of Hyderabad-Karnatak and Ex-Bombay State during the year amounted to Rs. 15,63,685-13 (Rs. 8,54,653-97).

Incidence of Taxation.

338. The incidence of taxation per head of population was Rs. 4-48 computed in respect of population of the wet districts of the old Mysore State leaving out of account the dry areas.

339. *Prohibition in the State.*—With the exception of dry districts and four taluks in Hassan District *viz.*, Sakleshpur, Belur, Alur and Arkalgud, Kollegal taluk in Mysore District and two taluks *viz.*, Channapatna and Ramanagaram in Bangalore District, the Excise and Opium privileges in the several wet districts of old Mysore area for 1957-58 were disposed of by the auction system.

Bombay Area.

340. It is now eight years since total prohibition is in force in all the four districts *viz.*, Bijapur, Belgaum, Dharwar and Karwar of the Ex-Bombay State now integrated with the Mysore State from 1st November 1956.

341. The import, export, transport, sale, possession, purchase, consumption and use of foreign liquors, hemp drugs and opium were prohibited except under a licence, permit or authorisation.

342. The import, export, transport, sale, possession, purchase, consumption and use of foreign liquors, hemp drugs and toddy were totally prohibited.

343. Government Hemp Drugs and Opium Sale Depots in all the four districts and the two Government Depots for the sale of opium, hemp drugs and foreign liquors in Bijapur and Dharwar opened in the year 1950, were continued during the year.

344. The Medicinal Toilet Preparations (Excise Duties) Act, 1955 and the Rules, 1956 framed thereunder, were brought into force from 1st June 1957.

345. The Neera Scheme was encouraged in all the four districts under the management of the Village Industries Board, Karnataka Region, Hubli and the Co-operative Societies.

346. The Prohibition propaganda was carried out in all the four districts by the Prohibition and Excise

authorities to educate the masses to refrain from drinks explaining to them the evils of drink habits.

347. Authorisations were issued for the sacramental wine for use in the four districts *viz.*, Bijapur, Belgaum, Dharwar and Karwar.

348. Neera has become a popular drink benevolent to the health of the ex-addicts and others.

349. It has been noticed that Prohibition policy has improved the general conditions of the labour classes of people in the cities and the standard of living of the public in villages. The standard of living of common man has gone up in as much as the money which was spent for drinks by the ex-addicts is now being utilised for improvement in their food and clothing used by them.

Hyderabad Area.

350. The Ex-Hyderabad-Karnatak area *i.e.*, Gulbarga Division, consisted of the three wet districts *viz.*, Raichur, Gulbarga and Bidar.

351. Liquors of 30° U.P. was supplied to all the said three districts from Hospet Distillery managed by Messrs. India Sugars and Refineries Ltd.,

352. The consumption of country spirits during the year was 71,376·35 gallons. The revenue derived from liquor was Rs. 22,09,008-14. Country Spirits.

353. The number of shops licensed for the sale of Toddy was 1,004 as in the previous year. The revenue derived from Toddy was Rs. 59,52,571-98.

354. There was a consumption of Malt liquor of 4,330-02 gallons. The revenue derived was Rs. 7,780. The consumption of foreign liquors was 913-83 gallons. The revenue derived from foreign liquors was Rs. 8,187. There was no cultivation of Ganja in this area during the year. The consumption of Ganja was 451-79 seers. The revenue derived from Ganja was Rs. 2,29,813·08. The consumption of Opium was 110½ seers. The revenue derived from Opium was Rs. 89,171-23.

355. The total number of offences reported under the Excise and Opium Acts in this area during the year was 1,649. Offences

Coorg District.

356. There was prohibition in this District. The total revenue received in this District during the year was Rs. 54,471-49. Liquors and drugs were being supplied only to permit holders.

South Kanara, Mangalore.

357. Prohibition was in force in this District. The Excise revenue received in this District during the year was Rs. 24,173-45.

(iii) Commercial Taxes

358. Consequent upon the re-organisation of States it was found necessary to have an uniform Sales Tax Law throughout the Mysore State to get rid of the difficulties experienced by the Merchant Class. Accordingly, a new Sales Tax Act, 1957 was brought into force with effect from 1st October 1957 repealing the Sales Tax Acts which were in force in the integrated areas till 30th September 1957. According to the New Mysore Sales Tax Act, 1957, the turnover limit for the purpose of registration is fixed at Rs. 7,500.

359. *Working of the Mysore Sales Tax Act*, 1957—*from 1st October* 1957 *to 31st March* 1958.—Out of 1,399 appeals (including 607 cases pending at the beginning of the year) for disposal during the year, 1,296 appeals were disposed of leaving a balance of 710 appeals at the end of the year. The total number of Revision cases received during the year were 224 out of which 199 cases were disposed of leaving a balance of 25 cases pending at the end of the year.

360. There were 43,604 Registered dealers at the end of the year, and a sum of Rs. 1,87,096-96 has been collected as Registration fee.

361. There were 15,248 dealers with turnover less than Rs. 40,000 and 8,375 dealers with turnover exceeding Rs. 40,000. The total number of dealers assessed to tax during the year was 20,810.

362. The number of licenses of different kinds issued under the Act was 9,481 and the total licence fee collected was Rs. 5,08,270-10.